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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

6230

October 9, 2014

Rick Havenstrite
Desert Hawk Gold Corporation
1290 Holcomb Avenue
Reno, Nevada 89502

Subject: Partial Approval of Amended Notice of Intention to Commence Large Mining Operations, Desert Hawk Gold Corporation, Kiewit Mine, M/045/0078, Tooele County, Utah

Dear Mr. Havenstrite:

The Division of Oil, Gas and Mining has reviewed the amendment submitted on August 10, 2014. The majority of the amendment is complete and approved, but portions need to be modified. This is discussed below.

The approval of the amendment does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

The Division reiterates the conditions included in the approval letter dated February 21, 2014:

1. Mining at the Clifton Shears will not exceed 20 feet in depth until the operator has completed additional rock characterization.
2. No mining may be done at the Yellow Hammer until the operator has completed rock characterization.
3. Mining at the Kiewit will include rock characterization as committed to in the NOI.
4. Backfilling and grading reclamation bond monies will not be released until the heap leach draw down has been completed.

The Division and Desert Hawk Gold have agreed that inconsistencies exist in the Notice of Intention to Commence Large Mining Operations (Notice) and that any inconsistencies that impact regulatory authority decisions will be decided by the Division. The following additions and corrections are needed:



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Rick Havenstrite
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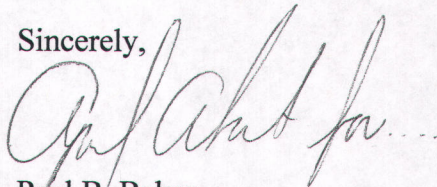
- a) Page 1 of the Notice, paragraph 3, notes the two small mines that have now been included in the large mine. Please reword that the Yellow Hammer and Herat permit are now incorporated into the Kiewit Notice. Please submit this revised page by October 31, 2014.

The following figures are complete and will be added to the Notice: Figures 3, 3a, 5, 6, 6a, 7, 7a, and 19. Also complete is page 24 of the Ground Water Permit Application, and pages 2, 5, 15, 17, 18, 21, 22, 25, 26, 31, and 40 of the Notice. A stamped copy is provided for your records. The revised reclamation cost estimate will be reviewed after the above changes have been completed and concurrence is received from the BLM.

Please keep your plan current by submitting changes using Form MR-REV-att, which is located on the Division's web site at ogm.utah.gov.

All future correspondence should reference M/045/0078. Thank you for your patience in finalizing this permitting action. Please call Leslie Heppler at 801-538-5257 if you have any questions in this regard.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: lah: eb

Enclosure: Approved pages

cc: Stephen Allen, Salt Lake BLM (SAllen@blm.gov)
Wendy Shubert, Tooele County (wshubert@co.tooele.ut.us)

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